

3Q 2010 Performance Review

19 October 2010



Forward Looking Statements

The following presentation includes forward-looking statements, which involve known and unknown risks and uncertainties, that could cause actual results or performance to differ. Forward looking information is based on current views and assumptions of management, including, but not limited to, prevailing economic and market conditions. Such statements are not, and should not be interpreted as a forecast or projection of future performance.

1. 3Q 2010 Financial Highlights



By Ron Widdows
Group President & CEO



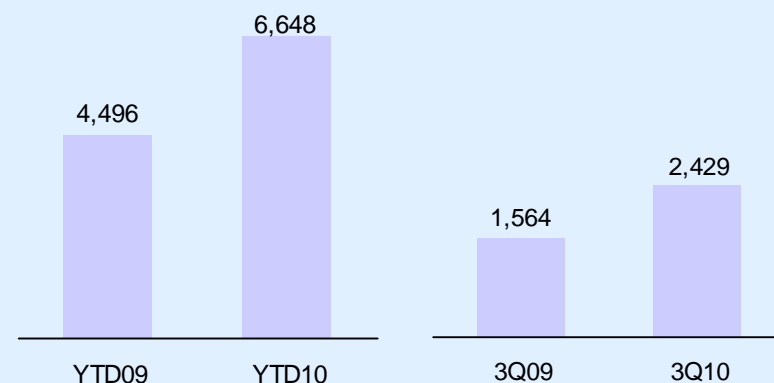
3Q 2010 Key Highlights

Key Highlights

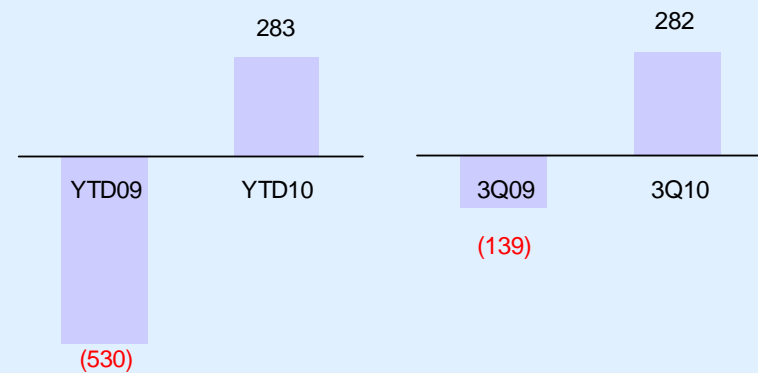
- 3Q10 Financial Highlights**
 - Revenue of US\$2.4 billion, a year-on-year increase of 55%
 - Core EBIT of US\$319 million
 - Net profit of US\$282 million
- YTD10 Financial Highlights**
 - Revenue of US\$6.6 billion, a year-on-year increase of 48%
 - Core EBIT of US\$359 million
 - Net profit of US\$283 million
- Others**
 - Exercised option to purchase 2 x 10,700 TEU vessels
 - Issued S\$280 million note at 4.65% coupon due 2020 as part of the US\$1.5 billion MTN programme

Group Financials

Revenue (US\$m)



Net profit/(loss) (US\$m)

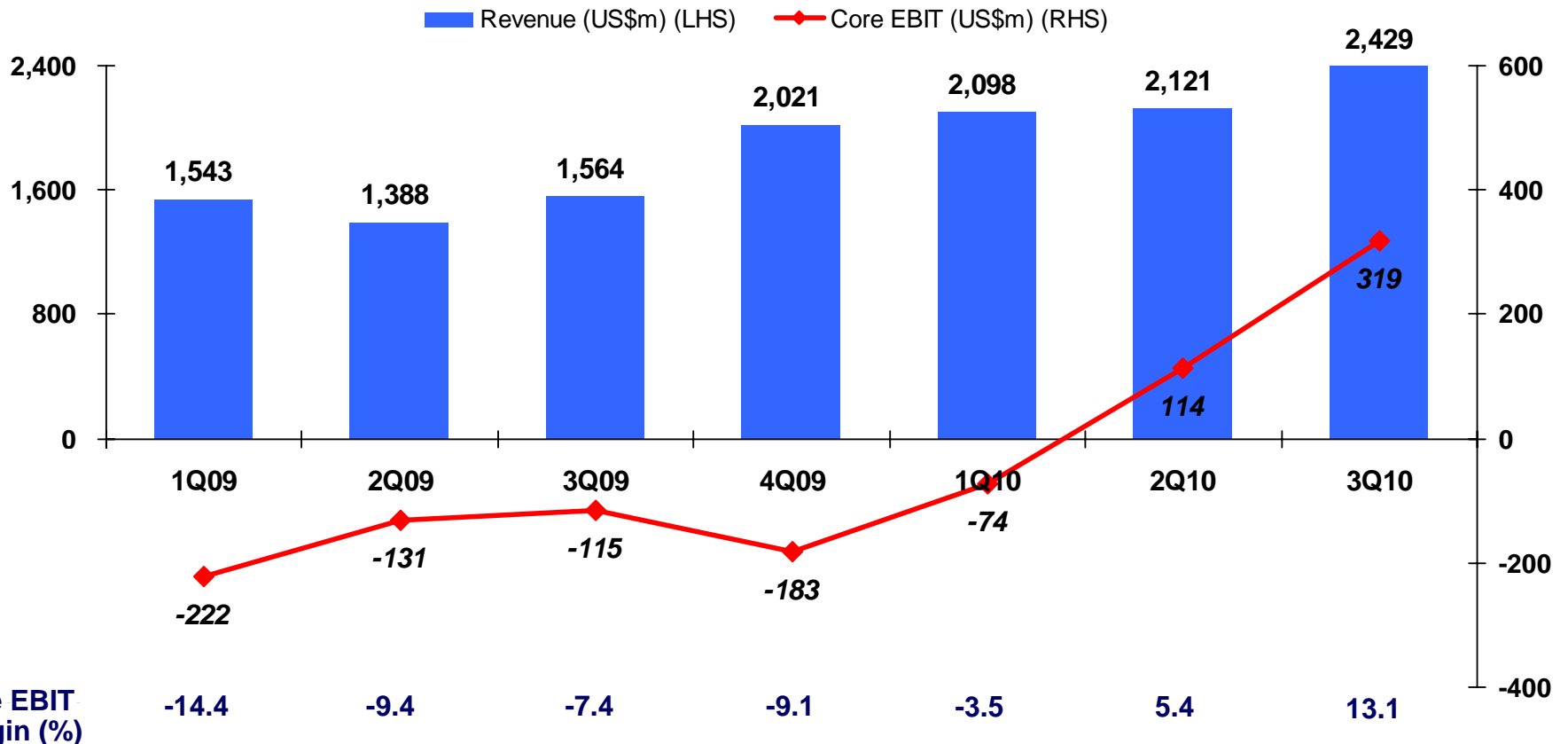


Group Revenue, Core EBIT and Core EBIT Margin Trend

Improved container trade environment and coupled with peak season volumes and surcharge has resulted in further improvement in earnings in 3Q 2010.

Revenue (US\$M)

Core EBIT (US\$M)



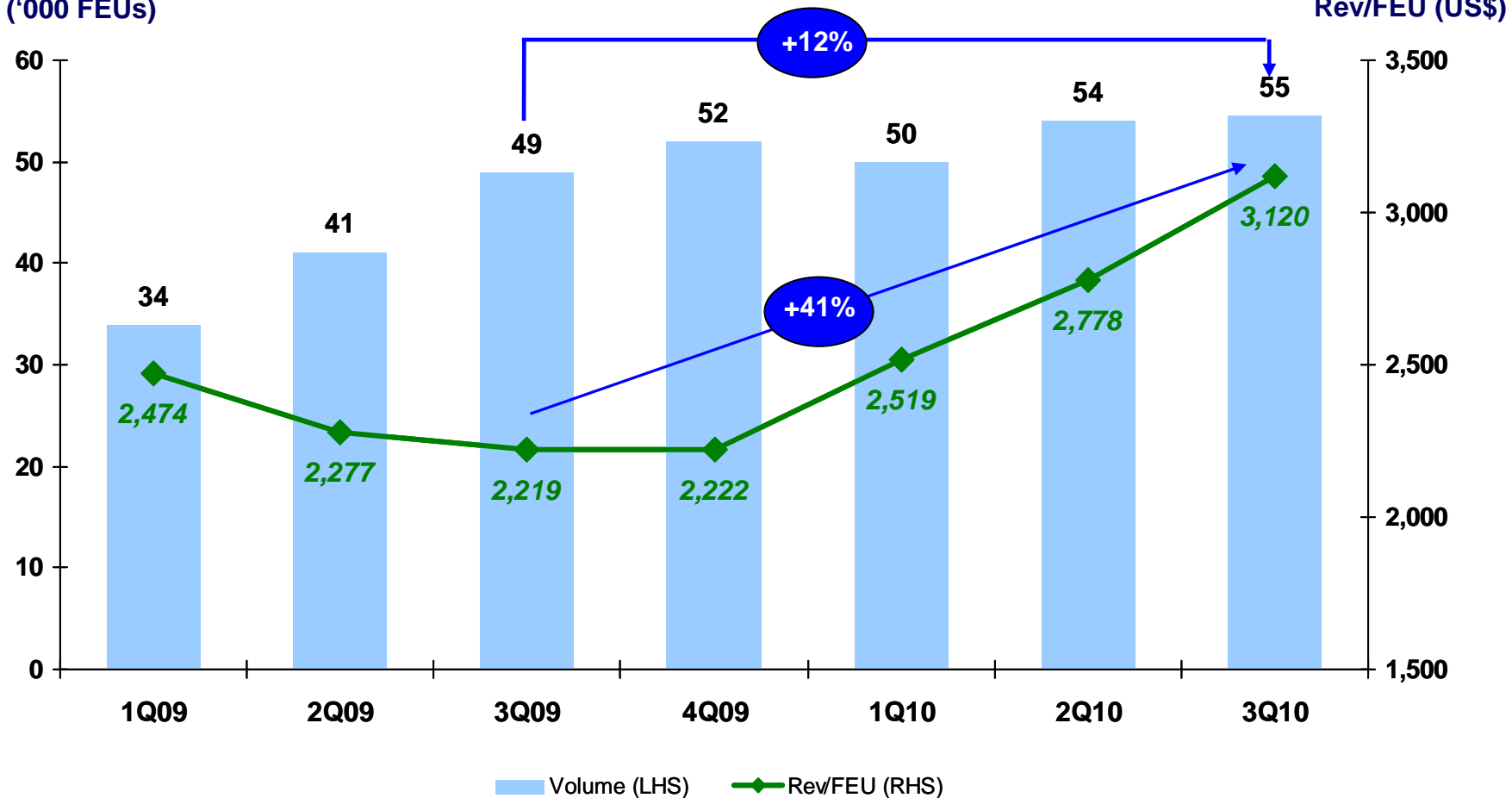
Note: 1Q and 4Q figures consist of 14 weeks. 2Q and 3Q consists of 12 weeks.



Volume and Rev/FEU Trend

Continued freight rate improvement since 4Q 2009 has been one of the main drivers of the Group's improvement in earnings.

Average Weekly Volume
('000 FEUs)



Group Financial Highlights

US\$m	YTD10	YTD09	% ▲	3Q10	3Q09	% ▲
Revenue	6,648	4,496	48	2,429	1,564	55
Core EBIT	359	(468)	nm	319	(115)	nm
• Non-recurring items	-	-	nm	-	(3)	(100)
EBIT	359	(468)	nm	319	(118)	nm
Net profit / (loss)	283	(530)	nm	282	(139)	nm
Basic EPS (US cents)	11.00	(28.52)	nm	10.95	(5.91)	nm

Group Core EBIT Breakdown

US\$m	YTD10	YTD09	% ▲	3Q10	3Q09	% ▲
Liner	314	(502)	nm	301	(130)	nm
Logistics	45	41	10	18	17	6
Others	-	(7)	(100)	-	(2)	(100)
Total Core EBIT	359	(468)	nm	319	(115)	nm

3Q 2010 Summary

- **Improvement in Liner freight rates on key trade lanes and peak season has contributed to improved profitability for the Group.**
- **Commitment to reliability and service capabilities provided strength in demand during peak season.**
- **Continue to manage costs through operational efficiency and slow steaming.**
- **Logistics continue to build on existing service capabilities to grow revenue and earnings.**



2. 3Q 2010 Financial Performance



By Cedric Foo
Group Deputy President &
CFO

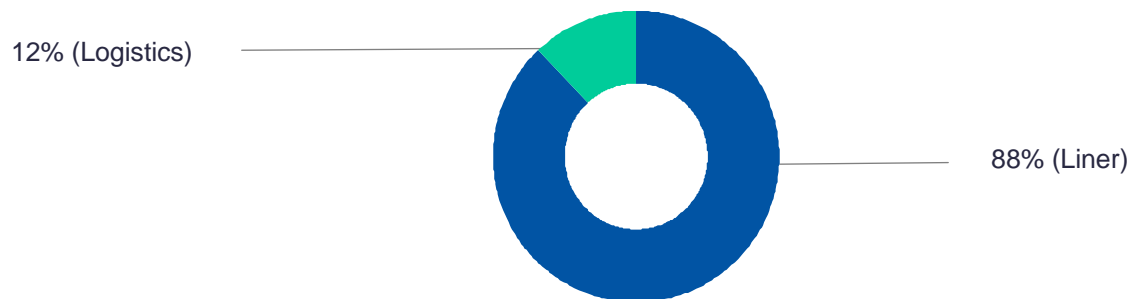


Group Financial Highlights

US\$m	YTD10	YTD09	% ▲	3Q10	3Q09	% ▲
Revenue	6,648	4,496	48	2,429	1,564	55
Core EBITDA	567	(258)	nm	385	(48)	nm
• Depreciation & Amortisation	(208)	(210)	(1)	(66)	(67)	(1)
Core EBIT	359	(468)	nm	319	(115)	nm
• Non-recurring items	-	-	nm	-	(3)	(100)
EBIT	359	(468)	nm	319	(118)	nm
• Gross Interest Expense	(25)	(35)	(29)	(8)	(10)	(20)
• Tax	(51)	(27)	89	(29)	(11)	164
Net profit / (loss) to equity holders	283	(530)	nm	282	(139)	nm

Group Revenue Breakdown

US\$m	YTD10	YTD09	% ▲	3Q10	3Q09	% ▲
Liner	5,856	3,882	51	2,157	1,345	60
Logistics	880	670	31	302	234	30
Elimination/Others	(88)	(56)	57	(30)	(15)	100
Total Revenue	6,648	4,496	48	2,429	1,564	55



3Q10 Revenue by business segment is stated before inter-segment elimination.

Group Core EBIT Breakdown

US\$m	YTD10	YTD09	% ▲	3Q10	3Q09	% ▲
Liner	314	(502)	nm	301	(130)	nm
Logistics	45	41	10	18	17	6
Others	-	(7)	(100)	-	(2)	(100)
Total Core EBIT	359	(468)	nm	319	(115)	nm

Non-Recurring Items

US\$m	YTD10	YTD09	3Q10	3Q09
1. Gain from asset disposals	2	4	1	-
2. Others	(2)	(4)	(1)	(3)
Total	-	-	-	(3)

Balance Sheet Highlights

US\$m	17 Sept '10	25 Dec '09
Total Assets	6,249	5,340
Total Liabilities	3,193	2,500
Total Equity	3,056	2,840
Total Debt	1,357	940
Total Cash	671	333
Net Debt	686	607
Gearing (Gross)	0.44 x	0.33 x
Gearing (Net)	0.22 x	0.21 x
NAV per share (US\$)	1.17	1.08
(S\$)	1.56	1.53

Cash Flow Highlights

US\$m	YTD10	YTD09
Cash & Cash Equivalents - Beginning	333	429
<i>Cash Inflow/(Outflow)</i>		
Operating Activities	306	(445)
Investing/Capex Activities	(377)	(19)
Financing Activities	409	769
Cash & Cash Equivalents – Closing	671	734

Capital Expenditure

US\$m	YTD10 Actual	FY09 Actual
1. Vessels	303	8
2. Equipment / Facilities	11	22
3. Drydock	35	13
4. IT	32	39
5. Others	5	11
Total	386	93

3. Liner



By Eng Aik Meng
President, APL



Liner 3Q 2010 Highlights

- Liner achieved 3Q 2010 revenue of US\$2.2 billion, a year-on-year (YoY) increase of 60% mainly due to higher volumes transported and improved freight rate in most of the major trade lanes.
 - 3Q 2010 volume rose by 12% YoY mainly due to higher volumes lifted on the Transpacific and Asia-Europe routes.
 - Average revenue per FEU for 3Q 2010 rose by 41% YoY to US\$3,120 mainly due to improved rates in most of the major trade lanes and implementation of peak season surcharges.
 - Higher volumes resulted in 3Q 2010 achieving utilisation rate of 97%.
- Liner recorded a positive Core EBIT of US\$301 million in 3Q 2010 as compared to a negative Core EBIT of US\$130 million in 3Q 2009 mainly due to improved container trade environment and higher rates.

Liner Profit & Loss Summary

US\$m	YTD10	YTD09	% ▲	3Q10	3Q09	% ▲
Revenue	5,856	3,882	51	2,157	1,345	60
Core EBITDA	512	(305)	nm	363	(68)	nm
• Depreciation & Amortisation	(198)	(197)	1	(62)	(62)	-
Core EBIT	314	(502)	nm	301	(130)	nm
• Non-recurring items	1	(1)	nm	-	(3)	(100)
EBIT	315	(503)	nm	301	(133)	nm
Core EBIT Margin (%)	5.4	(12.9)		14.0	(9.7)	

Liner Volume Growth

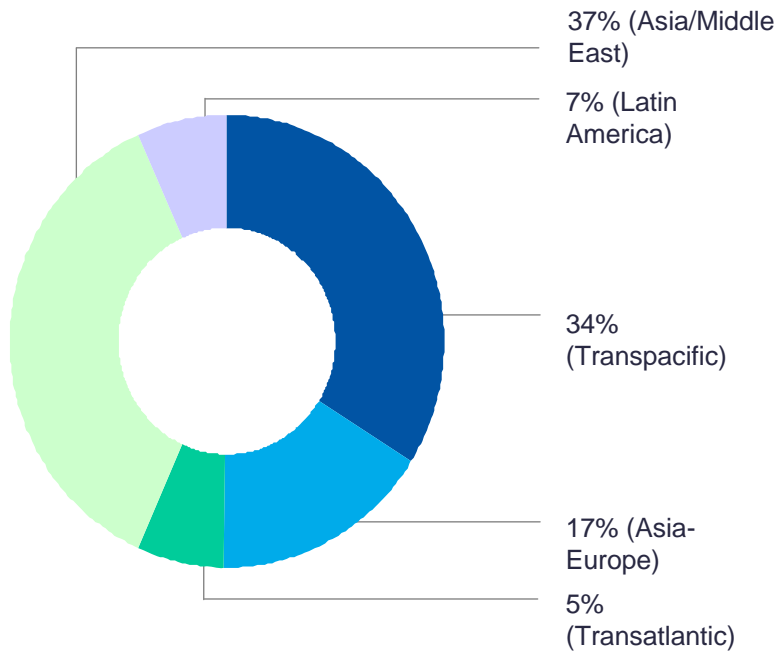
'000 FEUs	YTD10	YTD09	% ▲	3Q10	3Q09	% ▲
Americas	801	613	31	270	234	15
Transpacific	663	491	35	226	189	20
Latin America	138	122	13	44	45	(2)
Europe	413	339	22	140	117	20
Asia-Europe	317	256	24	109	88	24
Transatlantic	96	83	16	31	29	7
Asia/Middle East	788	604	30	245	235	4
Total	2,002	1,556	29	655	586	12

Note: Based on point of sailing and inclusive of headhaul and backhaul trade.

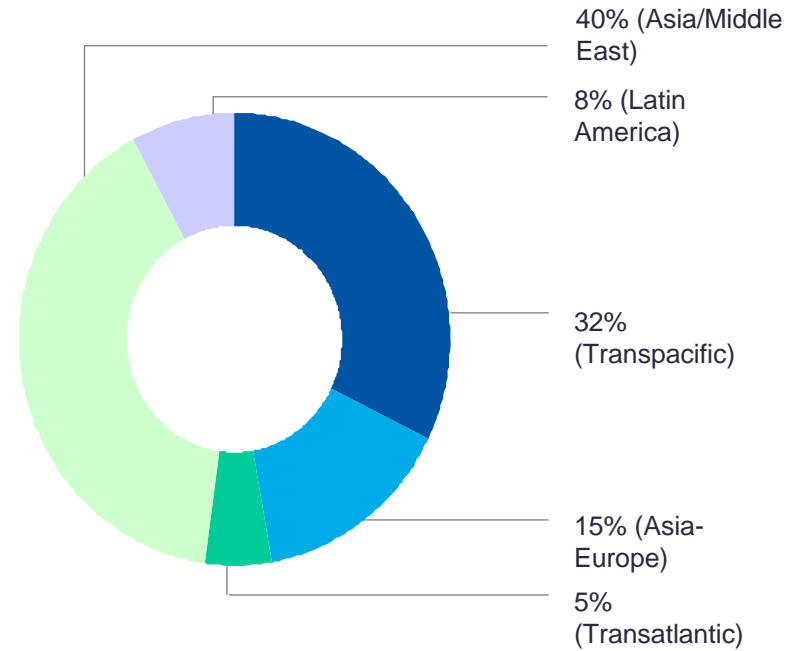


Liner : Volume Mix

Greater demand for Liner's services in the Transpacific and Asia-Europe trade lanes and redeployment of capacity resulted in higher proportion of volume mix.



3Q10 Volume breakdown



3Q09 Volume breakdown

Liner Average Revenue/FEU

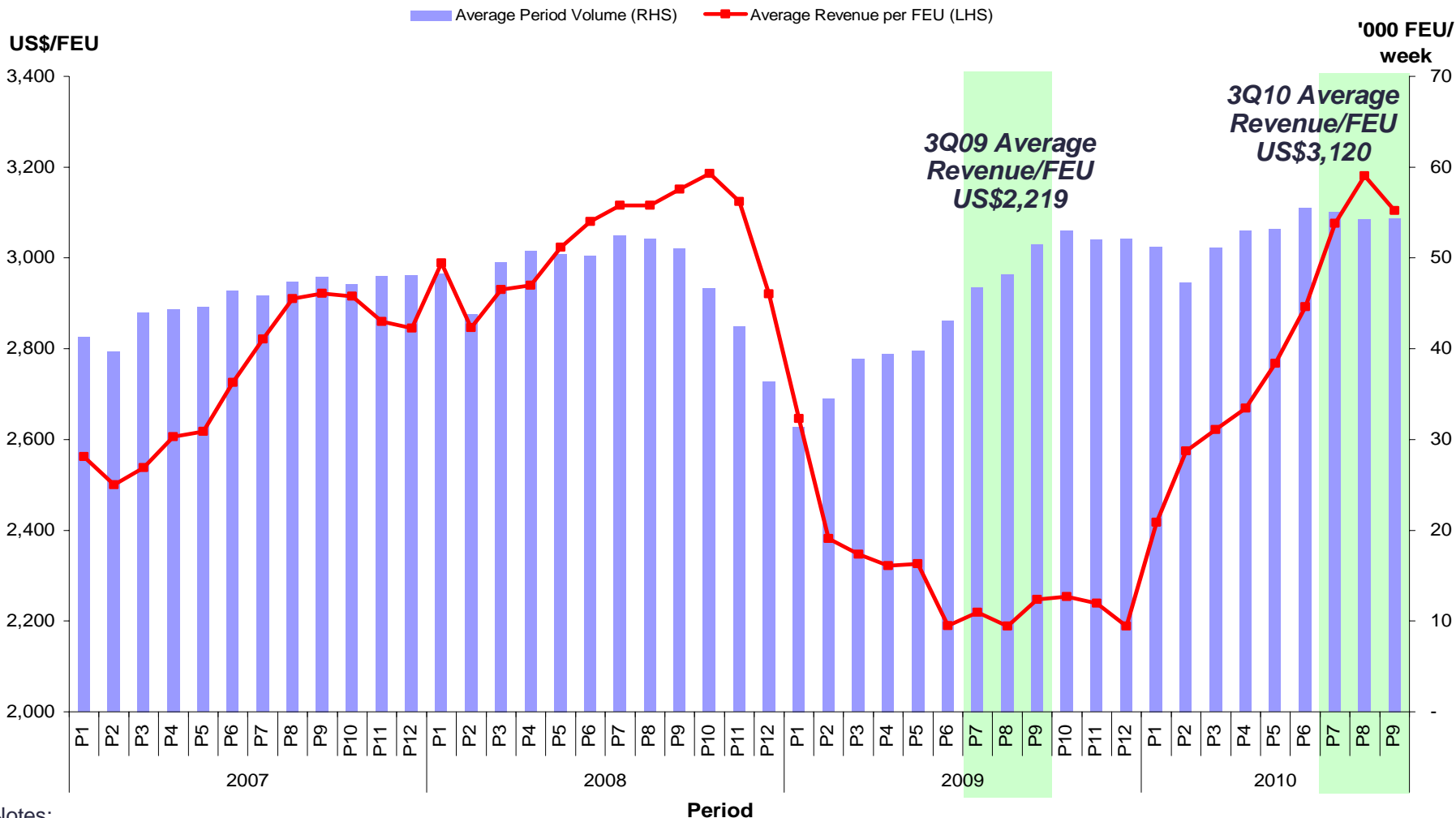
US\$/FEU	YTD10	YTD09	% ▲	3Q10	3Q09	% ▲
Americas	3,722	3,314	12	4,092	2,986	37
Europe	3,184	2,107	51	3,398	2,247	51
Asia/Middle East	1,659	1,422	17	1,890	1,443	31
Total	2,799	2,316	21	3,120	2,219	41

Note: Based on point of sailing and inclusive of headhaul and backhaul trade.



Volume and Average Revenue/FEU Trend

Recovery in freight rates since the beginning of the year and the peak season has resulted in sequentially improved earnings.

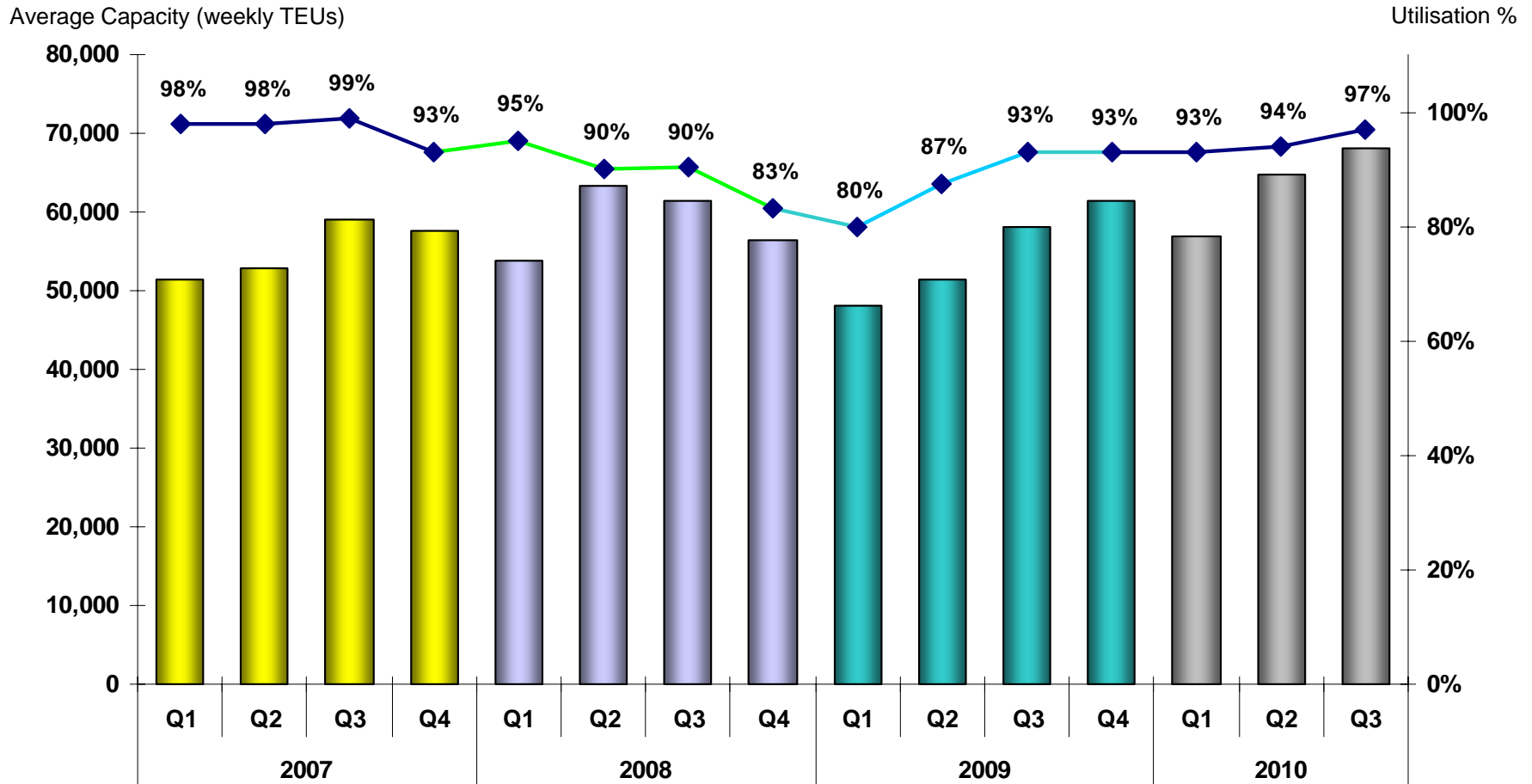


- Notes:
- 1) Average Period volumes are normalised based on number of weeks in the period
 - 2) Average revenue per FEU is based on point of sailing and inclusive of headhaul and backhaul trade.



Liner Network Capacity & Utilisation

Seasonal peak volumes and demand for Liner's services has resulted in utilisation to 2007 levels. Network capacity continue to be managed to optimise utilisation rates and yield.



Note: Figures are based on the headhaul leg of main linehaul services
The capacity figures takes into account "winter program" initiations.



Liner : Americas

	YTD10	YTD09	% ▲	3Q10	3Q09	% ▲
Total Volumes ('000 FEUs)	801	613	31	270	234	15
• Transpacific	663	491	35	226	189	20
• Latin America	138	122	13	44	45	(2)

Average Revenue (US\$/FEU)	3,722	3,314	12	4,092	2,986	37
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- **Transpacific** : Improvement in global trade and greater demand for our services resulted in significant year-on-year improvement in Transpacific volumes. Recent freight rates increase is due to improved contracts rates taking effect in May/June 2010 and implementation of peak season surcharges.
- **Latin America** : 3Q 2010 Latin America trade volumes declined on a year-on-year basis due to decline in Latin America backhaul trade.

Liner : Europe

	YTD10	YTD09	% ▲	3Q10	3Q09	% ▲
Total Volumes ('000 FEUs)	413	339	22	140	117	20
• Asia-Europe	317	256	24	109	88	24
• Transatlantic	96	83	16	31	29	7

Average Revenue (US\$/FEU)	3,184	2,107	51	3,398	2,247	51
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- **Asia-Europe** : Recovery in global trade resulted in growth in volumes in the Asia-Europe trade. The improvement in demand and rising utilisation rates resulted in significant improvement in freight rates.
- **Transatlantic** : The Transatlantic route experience growth in volumes, consistent with the improvement in global trade.

Liner : Asia/Middle East

	YTD10	YTD09	% ▲	3Q10	3Q09	% ▲
Total Volumes ('000 FEUs)	788	604	30	245	235	4
Average Revenue (US\$/FEU)	1,659	1,422	17	1,890	1,443	31

- **Asia/Middle East:** Asia/Middle East 3Q 2010 volumes grew by 4% year-on-year mainly due to growth in the Intra-Asia Short-sea trade.

3Q 2010 average Rev/FEU rose by 31% mainly due to improved rates on the Intra-Asia Long-haul trade.

Liner Trade Imbalance

Recent growth in the Transpacific headhaul demand has outpaced growth in backhaul volumes resulting in a slightly more imbalanced trade lane.

No. of FEUs that are full backhaul for every 10 FEUs full headhaul

Trade lane	2008	2009	YTD10
• Transpacific	7	7	6
• Asia-Europe	7	8	8
• Transatlantic	10	10	10

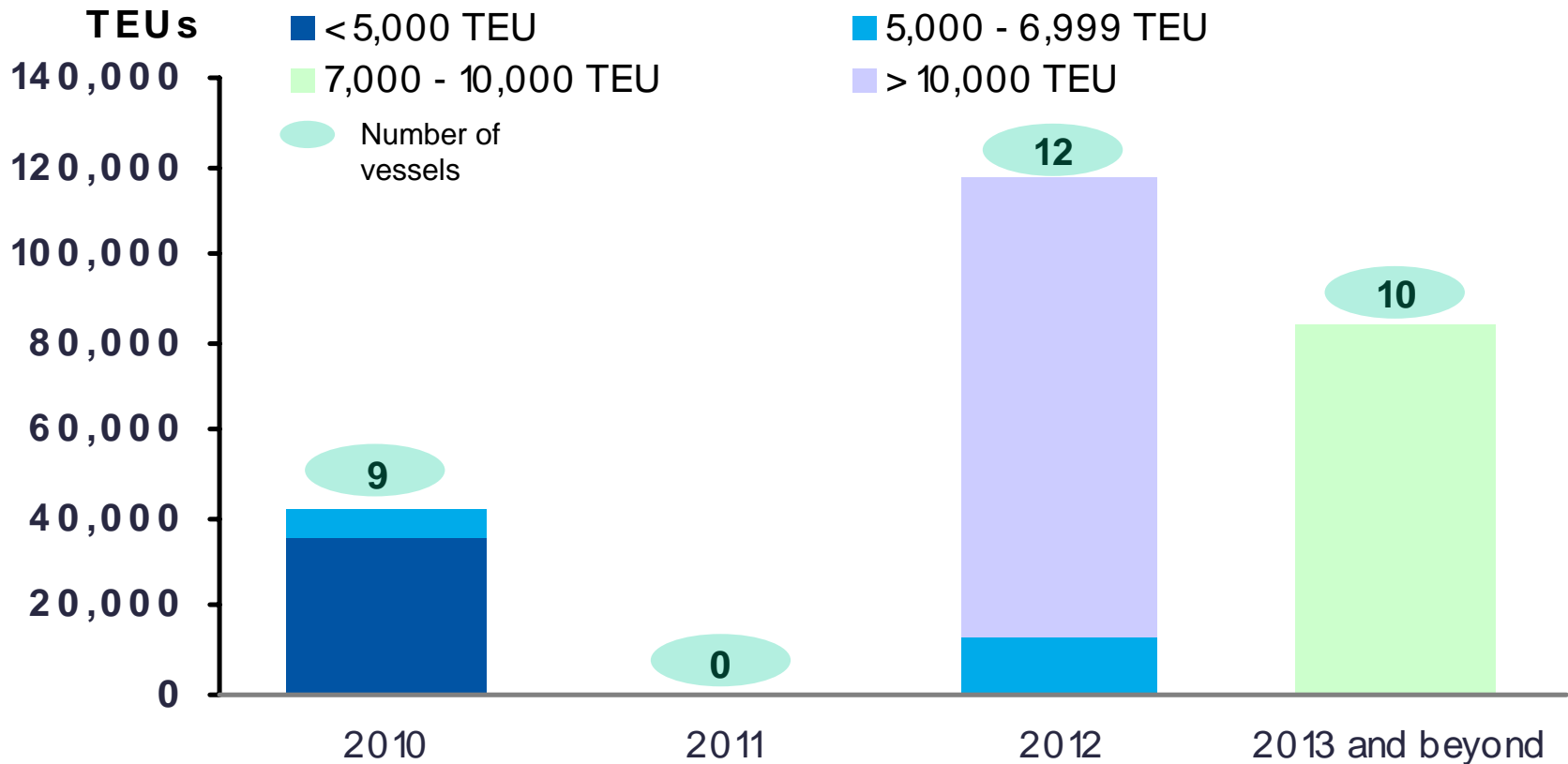
Terminal Volume and Utilisation

Growth in container shipping volumes have resulted in improved terminal throughput and higher utilisation rates.

Volume (Lifts '000)	YTD10	YTD09	% ▲	3Q10	3Q09	% ▲
Americas	953	624	53	345	234	47
Asia/Middle East	860	681	26	261	248	5
Total	1,813	1,305	39	606	482	26
Utilisation (%)	81	58		85	68	

Vessel Commitments

Recent newbuilding orders increased the new vessel commitments to 31 (owned and chartered), to be delivered from 2010 onwards. Vessel commitments in 2010 have all been delivered.



Note: Approximately 150,000 TEUs of nominal capacity have charter expiry dates between 2011 and 2013.

4. Logistics



By Jim McAdam
President, APL Logistics



Logistics 3Q 2010 Highlights

- Logistics achieved 3Q 2010 revenue of US\$302 million, a year-on-year (YoY) increase of 30% due to higher volumes across the various Logistics' services, coupled with improved freight rates in the International Services division.
 - Contract Logistics achieved revenue of US\$164 million, a YoY increase of 15% mainly due to higher volumes across the rail and land transport business segments and business areas that service the automotive sector.
 - International Services achieved revenue of US\$138 million, a YoY increase of 50% due to a combination of higher shipment volume and improved freight rates.
- Logistics achieved a Core EBIT of US\$18 million for 3Q 2010. Improved revenue across the various divisions was partially offset by higher procurement costs, investment in personnel, general and administrative expense and reduction in average warehouse utilisation in the Contract Logistics business unit.

Logistics Profit & Loss Summary

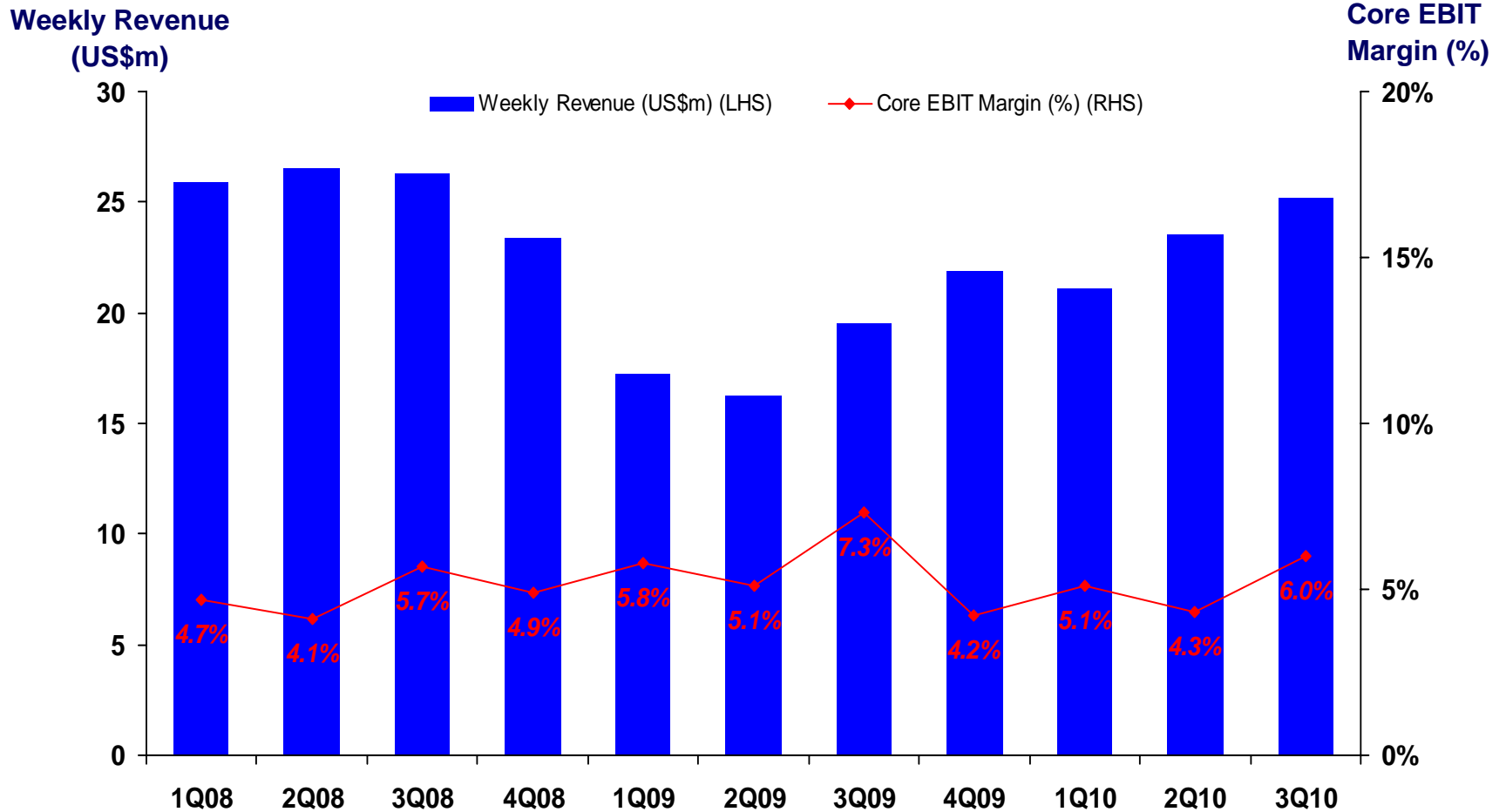
US\$m	YTD10	YTD09	% ▲	3Q10	3Q09	% ▲
Revenue	880	670	31	302	234	30
Core EBITDA	53	49	8	21	20	5
• Depreciation & Amortisation	(8)	(8)	-	(3)	(3)	-
Core EBIT	45	41	10	18	17	6
• Non-recurring items	(1)	-	nm	-	-	-
EBIT	44	41	7	18	17	6
Core EBIT Margin (%)	5.1	6.1		6.0	7.3	

Performance Breakdown

Business Segment (US\$m)	YTD10	YTD09	% ▲	3Q10	3Q09	% ▲
Revenue	880	670	31	302	234	30
• Contract Logistics	523	413	27	164	142	15
• International Services	357	257	39	138	92	50
Core EBIT	45	41	10	18	17	6
• Contract Logistics	10	14	(29)	2	6	(67)
• International Services	35	27	30	16	11	45
Core EBIT Margin (%)	5.1	6.1		6.0	7.3	
• Contract Logistics (%)	1.9	3.4		1.2	4.2	
• International Services (%)	9.8	10.5		11.6	12.0	

Logistics Revenue and Core EBIT Margin Trend

Logistics continue to build on its current portfolio of businesses to grow revenue yet still provide a stable Core EBIT margin.

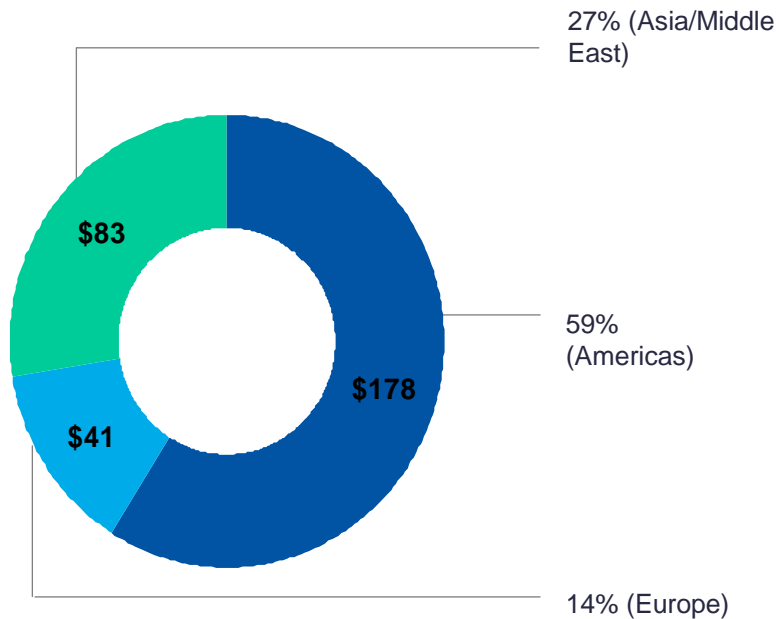


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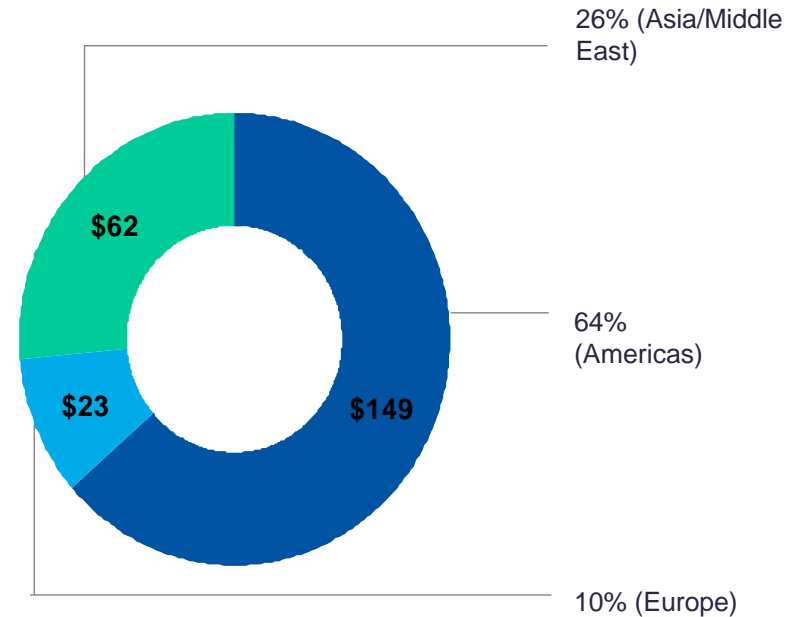


Logistics' Revenue Trend – By Region

Europe revenue benefited from higher freight rates and volume in the International Services division while Asia/Middle East continue to grow its revenue contribution as greater service offerings were introduced.



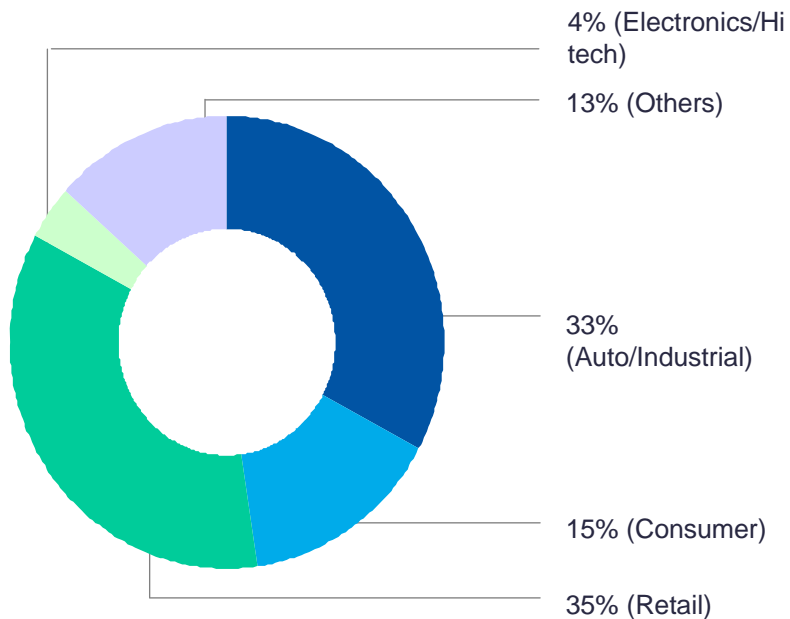
3Q10 Revenue Breakdown
– by Region (US\$m)



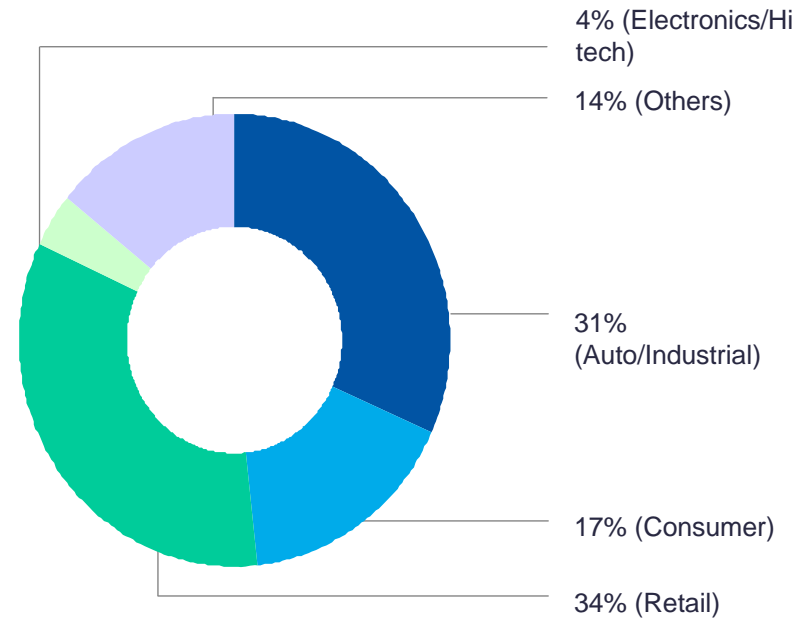
3Q09 Revenue Breakdown
– by Region (US\$m)

Logistics' Revenue Trend – By Customer Segment

Improvement in revenue was seen across all customer segments, particularly the retail segment.



3Q10 Revenue Breakdown
– by Customer Segment



3Q09 Revenue Breakdown
– by Customer Segment

5. Group Outlook



Group Outlook

Following a strong third quarter performance, NOL Group is expected to remain profitable for the full year in 2010.

Appendix

Group Fuel and Currency Exposures

Bunker

- The Group continues to recover part of its fuel price increases from customers through bunker adjustment factors.
- The Group also maintains a policy of hedging its bunker exposures.

Foreign exchange

- Major foreign currency exposures are in Euro, Singapore Dollar, Canadian Dollar, Chinese Renminbi and Japanese Yen.
- The Group maintains a policy of hedging its foreign exchange exposures.

**End of Presentation
Thank You**

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